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ELECTRIC & GAS REGULATION

June 13, 2005

Charles L.A. Terreni  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Docket No. 2005-179-E – Request for Approval of a Contract for Electric Service between South Carolina Electric & Gas Company (SCE&G) and Pella Corporation (Pella)

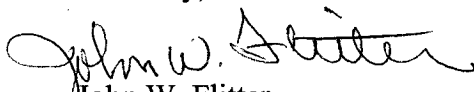
Dear Mr. Terreni:

This is to acknowledge that the Office of Regulatory Staff (ORS) has reviewed the above referenced filing and has no objection to the proposed electric service contract between SCE&G and Pella. The plant is located near West Columbia, South Carolina and will manufacture windows. This contract was executed under SCE&G's economic development program and provides standard type rate incentives. The Pella facilities are located in existing premises that were previously vacated.

If the Commission approves this request, ORS would recommend including a provision to require SCE&G to track any resulting revenue shortfall and reserve the appropriate ratemaking treatment for a future rate proceeding or other review as determined by the Commission.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

  
John W. Flitter

JWF/arw

Cc: Dan F. Arnett, Chief of Staff, SC ORS  
Florence Belser, General Counsel, SC ORS  
Catherine D. Taylor, Associate Gen Counsel, SCANA  
Dr. James Spearman, Senior Technical Advisor, SCPSC